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Long-Term Buyer-Supplier Relationship Analysis

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Abstract

This study discusses the factors contributing to the long-term relationship between a business and its suppliers. The problem faced by the company is the unfulfilled realization of the fulfillment of the copra raw material. The competition among copra business players and the potential suppliers choosing to sell to competitors causes this problem. This research aims to determine the factors contributing to the sustainability of the relationship between the company and its suppliers. The method used in this study is a quantitative method with an exploratory factor analysis approach using the SPSS analysis tool. The population in this study consists of 45 company suppliers scattered in North Maluku and East Nusa Tenggara. The sampling technique used is saturated sampling, involving all 45 respondents in the population. The data collection method in this research uses a questionnaire with a Likert scale. The results of the factor analysis revealed the formation of five new factors, which are simplifications of the fifteen research variables. These factors are interpersonal Relationships, satisfactory performance, trusted practices, loyalty, and communication synchronization.

Keywords: Long-Term Buyer, Supplier Relationship, Sustainable Business, Competitive Advantage

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INTRODUCTION

Most coconuts in Indonesia are produced in the form of copra and other coconut-derived products. Copra is one of the coconut-derived products and is described as the dried meat of the coconut fruit that has undergone a drying process (Budiman et al., 2015; Withana and Wanasundara, 2020). According to the Food and Agriculture Organization (FAO), Indonesia was in the top position as the world's largest exporter of copra in 2020. Indonesia holds a significant advantage over other copra-producing countries. It can be said that copra is a crucial coconut derivative since it serves as a raw material for coconut oil production, and its residue can be utilized as animal feed, among other uses (Suprehatin and Naufal, 2021). Therefore, it is shown that Indonesia ranks among the world's top 2 most prominent exporters of coconut oil in 2020. Thus, it can be concluded that Indonesia dominates the copra market and its derivatives globally (Hestina et al., 2023; Sahari et al., 2023). Therefore, copra is one of Indonesia's flagship commodities in meeting the global demand for coconut oil.

Copra is always in demand for direct exports and processing into crude coconut oil, which will eventually be distributed locally and internationally (Naik et al., 2015). Crude coconut oil is a raw coconut oil originating from the oil extraction process of dried fresh coconut meat or copra (Dewi and Xia, 2022). In producing crude coconut oil, the factory undergoes standard quality testing followed by several stages, beginning with copra-crushing, then heating, pressing, and finally oil filtration. The purpose of filtration is to purify and remove unwanted impurities from the resulting oil (Pangestu et al., 2022).

CV Bara Natura Abadi is a supplier, manufacturer, and trader, particularly dealing with black copra in Surabaya, East Java. The black copra provided by the company is sourced from various regions in Indonesia, including Sulawesi, Maluku, and Nusa Tenggara. Since 2020, they have been actively supplying the raw material needed for black copra to copra processing factories in East Java and Central Java. These factories eventually process the coconut into crude coconut oil and its derivatives, such as refined coconut oil and copra meal. The copra supply chain begins with coconut farmers, who typically harvest every three months. The harvested produce is then distributed to traders and collectors, and subsequently, from the trader-collectors, it is distributed to copra processing factories. Afterward, the copra is processed and distributed to the next consumers, either for export or for further processing into other oils. With the economic conditions gradually recovering after the pandemic, the demand for raw materials like copra in oil-producing factories is increasing, which has resulted in the company’s inability to meet the target raw material needs.

The company consistently faced a gap between the demand for black copra and the quantity it was able to obtain, even when including its own production throughout the year 2022. Over the twelve-month period, the company received an average of 47,000 kg per month, while the average monthly demand reached 59,500 kg, resulting in a recurring gap of approximately 12,500 kg each month. Cumulatively, this amounted to a total shortfall of 150,000 kg for the entire year, highlighting a significant supply issue that impacted the company's ability to meet industrial demand. While Indonesia holds strong potential in copra

production, with Riau being the largest coconut-producing province, its output mainly consists of white copra. CV Bara Natura Abadi, however, focuses exclusively on black copra, which is predominantly produced in North Sulawesi and North Maluku. Other regions, such as East Java, Central Java, and Nusa Tenggara, also contribute to black copra production. To secure enough raw material for factories in East and Central Java, the company must compete with other suppliers operating in these key production areas, particularly those based in North Sulawesi, North Maluku, and Nusa Tenggara, further exacerbating supply challenges.

The company faces strong competition from similar companies based in Sulawesi, Maluku, and East Nusa Tenggara. Compared to its competitors, whose average monthly achievement rates range from approximately 90% to over 95%, the firm records a significantly lower achievement rate of around 79%. This performance gap highlights the need for strategic efforts to build stronger relationships with suppliers and encourage them to prioritize CV Bara Natura Abadi as a primary buyer. Moreover, competition goes beyond the companies in internal surveys, as other firms also compete for the same supply, causing the yields to be spread across multiple buyers. As noted by Agarwal and Narayana (2020), this competition extends beyond individual firms to the level of entire supply chain networks.

Suppliers are not merely organizations that sell raw materials to companies. Instead, they are business partners whose relationships must be sustained (Argyres et al., 2019; Rahmawati et al., 2023; Vaka, 2024). Building strong relationships with suppliers will enhance capacity and capabilities, allowing a company to outperform competitors and efficiently serve market demands (Dewi and Xia, 2022). A company must establish good relationships with suppliers to create a sustainable business bond for both parties (Pahurkar et al., 2020). Many benefits result from building a strong, long-term buyer-supplier relationship. Building a strong, long-term buyer-supplier relationship fosters trust over time, enabling the sharing of information, forecasts, knowledge, and customers between both parties.

However, long-term buyer-supplier relationships generally involve high commitment and effort to maintain them. Supply chain partnerships can be formed between organizations to provide stability and encourage long-term commitment from various parties to achieve optimal outcomes (Rebelo et al., 2019; Sundari and Uripi, 2021). Increasing business volume can benefit a company by reducing the number of suppliers through long-term contracts (Sundari and Uripi, 2021). Maintaining long-term buyer-supplier relationships enhances coordination and strengthens supplier performance, contributing to effective supply chain management and improved competitive advantage (Kotabe et al., 2003). This fosters collaboration, trust, and innovation, which ultimately improves overall operational efficiency.

Based on the data and phenomena of the existing issues, it can be understood that the problem faced is the unfulfilled demand for copra from this company obtained from its suppliers. This is due to the potential of suppliers to sell their products to other competitors, leading to a lack of sustainable relationships. Therefore, this research will analyse various factors that can form a long-term relationship between the company and its suppliers. The manifest variables are collected through an online Focused Group Discussion (FGD),

identifying factors that may influence the relationship between the company and its loyal and non-loyal suppliers. The paper explains the exploratory factor analysis method to shape those variables into defined factors. Finally, the paper delves into examining the outcomes within the framework of existing literature, addressing the practical and theoretical implications of the discoveries, the limitations, and future research directions. The novelty of this study lies in identifying interpersonal relationships as the key to sustaining long-term supplier partnerships.

LITERATURE REVIEW

The increasing complexity of business drives companies to succeed and thrive in fierce competition. One strategy a company can adopt is collaboration with other businesses or partners (Pahurkar et al., 2020; Syaifuddin, 2024). Effective business cooperation can lead to improved performance and profitability, supporting the company's success. A partnership between a company and partners involved in the supply chain can be beneficial based on a good relationship (Hanafi et al., 2019; van Weele and van Tubergen, 2016). The relationship between buyers and suppliers is divided into two categories: transactional and non-transactional relationships (Agarwal and Narayana, 2020). Transactional relationships involve low engagement, are opportunistic, have low commitment levels, and typically occur in the short term. On the other hand, non-transactional relationships rely on trust, commitment, and collaboration, which enhance relationship quality, satisfaction, and productivity.

Long-term relationships are a desire to establish lasting connections with the expectation that such relationships will benefit the business (Panggaresta and Alhazami, 2022). The key to business relationships in B2B is to achieve long-term relationships with business partners (Utami et al., 2022). Maintaining good relationships in B2B marketing can support operational benefits for businesses, enabling sustainable production management. Building long-term partnerships between suppliers and buyers in the supply chain can reduce business risks and the associated costs. Sustainable relationships influence the performance of buyer-supplier relationships, ultimately resulting in competitive advantages (Pramudita, 2017). Long-term cooperation can be achieved through continuous relationships between buyers and sellers (Huda et al., 2018). There are several indicators measuring tools for long-term relationships, including cooperation laying the foundation for establishing long-term relationships, the relationship with suppliers being based on long-term projects, and trust being a key factor in such relationships.

Trust is a primary factor in all business relationships involving two or more parties, and it is an important concept in personality development and social life (Hanafi et al., 2019). Trust is also the most crucial and influential variable in the success of a business relationship. Without mutual trust, a company will find it difficult to progress (Pahurkar et al., 2020). A company's self-confidence in its capacity and capabilities will increase by placing trust among partners. Trust is essential in building communication and cooperation as it fosters stable relationships (Sutanto and Japutra, 2021). Consumer trust is considered a crucial factor in maintaining sustainable connections among all parties involved in the business world.

Establishing trust among various business participants will strengthen business ties, as each party is confident in fulfilling its respective responsibilities. A company's reputation reflects the level of trust it receives from its partners (Jasin et al., 2021). Trust has become a key issue involving at least two parties in various business research fields regarding buyer-supplier relationships (Utami et al., 2022). There are several measuring tools for trust (Hanafi et al., 2019). The supplier demonstrates fairness in the negotiation process, the company can rely on the supplier to fulfill commitments made, and the company trusts the supplier.

Human behavior is fundamentally opportunistic, which can reduce their willingness to share knowledge. Specifically, they need to trust partners and not exploit shared knowledge for purposes other than those agreed upon. Thus, trust reduces transaction costs and increases the willingness to share knowledge. Trust is a multidimensional construct containing macro (inter-organizational) and micro (inter-personal) trust. Inter-organizational trust relates to the attitude of members toward other organizations and their representatives. In contrast, interpersonal trust relates to the attitude of specific individuals toward others, such as a purchasing manager toward a supplier representative (Rungsithong and Meyer, 2020).

Commitment can be understood as a strong motivation to maintain valuable business partnerships based on the belief that the partnership will bring value and benefits in the future for all parties involved in the business (Hanafi et al., 2019). Commitment should be considered an investment in business relationships. Generally, the higher the level of trust among colleagues, the higher the level of commitment. The Effectiveness of buyer power in facilitating supplier behavior depends on the extent to which such power can motivate suppliers to maintain their relationship with buyers (Utami et al., 2022). Affective commitment significantly influences performance (Riwukore et al., 2022). There are several measuring tools for commitment (Hanafi et al., 2019). The partner is willing to extend the business cooperation with the company, intends to establish a long-term, sustainable business relationship with the company, and demonstrates dedication to continuing the business with the company.

Information is a fundamental aspect that influences every part of the buyer-supplier relationship (Pramudita and Dwiyanto, 2017). Knowledge sharing is the regular pattern of inter-company interactions that enables the transfer, recombination, or creation of knowledge and involves knowledge transfer across organizational units (Rungsithong and Meyer, 2020). Therefore, as a business owner, it is crucial not to overlook accurate information, as it can affect the sustainability of the supply chain. Indicators of information sharing are the dissemination of relevant information in a business context, the ongoing exchange of information, and the provision of benefits to all parties involved, thereby improving collaboration.

Information distribution refers to how important and proprietary information is communicated to colleagues within one's supply chain (Agarwal and Narayana, 2020). The information shared among supply chain partners includes inventory levels, sales data, order status, sales forecasts, production schedules, performance metrics, and data. Sharing information, collaborative communication, co-created knowledge, and joint relationship efforts enhance the supply chain's resilience by improving visibility, speed, and flexibility.

Communication is the core and fundamental aspect of organizational life. Information and data have emerged as important currency in the supply chain (Agarwal and Narayana, 2020). Quality, timely, and frequent information exchange enhances coordination for faster responses. The frequency of communication can facilitate knowledge development and foster a greater understanding of complex competition issues related to supply chain success. Communication between buyers and suppliers involves coordination, building or negotiating relationships and/or contracts, and conflict resolution to achieve long-term relationships (Utami et al., 2022). Communication has essential functions, such as providing information, persuading, motivating, integrating, and socializing team members (Wijaya et al., 2023).

The elements of business communication, according to Jamaludin (2021), are as follows: Having predefined objectives that align with the organization's goals is crucial in business communication; information exchange involves communicating parties and information recipients. Messages in business communication can take diverse forms, such as ideas, information, opinions, and instructions, depending on the situation, condition, and desired objectives. Business communication can be conducted through personal or interpersonal channels, using various media, or through media that can reach many people simultaneously. One distinctive characteristic of formal organizations or institutions is having predefined goals set by management to achieve organizational objectives.

Satisfaction is the pleasurable sensation or disappointment that arises in an individual after comparing perceptions or responses to the performance or outcome of a product with their expectations (Hanafi et al., 2019). Satisfaction is also a result of responses or perceptions of performance and expectations. The closeness of the buyer-supplier relationship begins with the satisfaction derived from the relationship (Bag, 2018). Supplier satisfaction impacts the sustained relationship between buyers and suppliers (Glavee-Geo, 2019). Hanafi (2019) differentiates satisfaction into two categories: Economic satisfaction refers to satisfaction that arises from the economic aspects of the business partnership, such as sales volume, margins, and discounts. This defines economic satisfaction. Non-economic satisfaction is defined as a positive psychological response to the relationship. Non-economic satisfaction can also be interpreted as characteristics that are not visible in a business relationship.

Figure 1. Research model

METHODS

This research method uses quantitative research (Fabrigar and Wegener, 2012). Using the EFA method, a quantitative approach was employed to condense manifest variables into new factors (Fabrigar and Wegener, 2012; Hasan, 2024). Quantitative research was chosen because it enables a systematic and objective examination of relationships among variables. EFA specifically helps identify the underlying structure among the measured variables, ensuring more meaningful analysis outcomes. This approach provides a foundation for further statistical testing and model development in subsequent research stages.

Primary data is collected through questionnaires distributed by the researcher to respondents, utilizing both a pre-survey (focused group discussion) and a survey phase with questionnaires adopting the Likert scale technique. The pre-survey helped refine the questionnaire to improve its validity and reliability. The Likert scale provides a straightforward measurement of respondents' attitudes, opinions, and behaviours. This method ensures that the data collected is both quantifiable and analysable for statistical purposes.

The population in this study consists of 45 copra suppliers from CV Bara Natura Abadi, categorized into suppliers who are male, aged 17–65 years old, and located in Nusa Tenggara Timur (NTT) and North Maluku. This number was obtained from the list of suppliers provided by CV Bara Natura Abadi's internal source. The sampling method is a saturated sampling technique, which involves selecting the entire population as the sample. Therefore, the research includes all 45 respondents, ensuring comprehensive coverage of the population. The analysis tool used is SPSS 20 (Barella et al., 2024). Tools were chosen for their robust capabilities in handling EFA and other statistical procedures efficiently.

RESULT

Validity and Reliability Test

First, construct testing is a latent variable measurement test based on the latent construct forming indicators to test the validity and reliability (Ghozali and Latan, 2015). Validity is an indicator that shows how accurately the measuring instrument is in measuring the intended object. Validity is related to the accuracy or precision of the instrument. According to Sugiono (2014), the validity testing of the instrument is used to determine whether the questionnaire is valid or not, where if the significance of the Pearson correlation is >0.05, it can be concluded that the instrument item is not valid. Thus, it needs to be improved or discarded. Next, a significance test is conducted using the R-table at a 5% significance level.

According to the R-table, for a sample size of 45 at a 5% significance level, the Pearson correlation value should be above 0.294 for a variable to be declared valid. In the validity test of this research, there is one variable that has a Pearson Correlation value below the R value (0.294) and has a significance value above 5%, which is variable $X_{11,}$ "Communication Style." Therefore, this variable must be eliminated from the factor analysis process before conducting the reliability test, ensuring the accuracy and consistency of the remaining variables.

Reliability refers to a measurement instrument's consistency level (Herlina, 2019). Reliability testing or reliability calculation should be performed only on questions or items that have passed the validity test or met the validity criteria. If these items do not meet the validity criteria, proceeding to the reliability testing stage is unnecessary. In exploratory quantitative research, reliability testing is conducted using the Cronbach's Alpha method. The variable is considered reliable if Cronbach's Alpha value is > 0.6. This indicates that the variable has an adequate level of consistency. In this research, the reliability test shows that Cronbach's Alpha has a value of 0.734, greater than 0.6.

In addition to using Cronbach's Alpha parameter, this research also uses the Corrected Item-Total Correlation Analysis parameter. According to Sukmawati and Putra (2019), this parameter is used to test how effectively the questionnaire questions differentiate participants between categories. If the value of the Corrected Item-Total Correlation is less than 0.3, it indicates the presence of invalid components. In this research, no variables were found to have values less than 0.3 in the "Corrected Item-Total Correlation," indicating that the questionnaire is reliable and can proceed to the next stage in data analysis.

Kaiser-Meyer-Olkin (KMO) Test and Bartlett's Test of Sphericity

The KMO test indicates how much variation in the variables used in the factor analysis can be explained by the existing factors. The result of the KMO test is presented as a statistical value called the Measure of Sampling Adequacy (MSA). If the MSA value is greater than 0.50, it indicates that the factors forming the relationship between CV Bara Natura Abadi and its suppliers can be predicted and are suitable for further analysis. Thus, we can proceed with the factor analysis to gain a deeper understanding of the relationship between the firm and its suppliers. Bartlett’s test is used to assess the appropriateness of using statistical indicators in factor analysis and data reduction. Its purpose is to examine whether there is a significant relationship between the key indicators used, ensuring the reliability of the results.

If Bartlett's test results show a significant value (sig.) less than 0.05 (5%), it indicates that there is a significant relationship between the indicators. Therefore, it can be concluded that the indicators used are interrelated and suitable for factor analysis. This validates the use of the indicators in depicting the existing relationship between the studied variables. The KMO value of 0.561 indicates that the variation in the variables used in the factor analysis is sufficient. Additionally, the result of Bartlett's Test shows a significance value of 0.000, which is less than 0.05, indicating that the indicators used are correlated and suitable for factor analysis. This validates the use of the indicators in predicting the factors forming the relationship between the firm and its suppliers in this study, ensuring reliable and meaningful results.

Anti-Image Correlation

The values of these partial correlations can be observed through the anti-image correlation matrix. In this matrix, the measure of sampling adequacy (MSA) located on the diagonal and marked with the letter "a" should have values greater than 0.5. This indicates that

the variation in these indicators is sufficient for accurate factor analysis. These values can be found in the Appendix; the following is a summary of them. Based on the data processing results, it can be concluded that the values of MSA for each indicator representing the factors forming the relationship between the firm and suppliers generally have values above 0.5. This indicates that these indicators meet the criteria for factor analysis. Therefore, these factors can be considered as relevant variables in the factor analysis.

Factor Extraction

Factor extraction is a method used to reduce data from several indicators, resulting in fewer factors that can explain the correlations between the observed indicators. Factor extraction values greater than 0.50 indicate that the factor can explain the variables studied. Eigenvalues are used to determine the number of factors formed from the independent variables, where only factors with eigenvalues greater than one are retained (Widarjono, 2015).

Table 1. Factor extraction result

	Communalities			Initial Eigenvalues			Extraction Sums of Square Loading		
Var.	Initials	Extraction	Comp.	Total	%Var	%Cum	Total	%Var	%Cum
X_1	1,000	0.583	1	4.494	32.101	32.101	4.494	32.101	32.101
X_2	1,000	0.684	2	1.631	11.651	43.752	1.631	11.651	43.752
X_3	1,000	0.774	3	1.431	10.221	53.972	1.431	10.221	53.972
X_4	1,000	0.788	4	1.313	9.378	63.351	1.313	9.378	63.351
X_5	1,000	0.753	5	1.057	7.549	70.900	1.057	7.549	70.900
X_6	1,000	0.630	6	0.862	6.168	77.058			
X_7	1,000	0.712	7	0.695	4.962	82.020			
X_8	1,000	0.735	8	0.587	4.195	86.215			
X_9	1,000	0.654	9	0.498	3.557	89.773			
X_{10}	1,000	0.623	10	0.390	2.786	92.559			
X_{12}	1,000	0.701	11	0.368	2.631	95.190			
X_{13}	1,000	0.680	12	0.273	1.952	97.141			
X_{14}	1,000	0.812	13	0.231	1.653	98.795			
X_{15}	1,000	0.796	14	0.169	1.205	100.000			

Communalities indicate the extent of variability from the original variables, which, in this case, are the factors that form the relationship between the firm and suppliers, and can be explained by each indicator. Table 1 shows that the commonalities values of the 14 indicators related to the factors forming the relationship between the firm and suppliers are above 0.5, indicating that all indicator variables can explain the factors. The number of factors formed from the factor analysis can be seen in the "Total Variance Explained" section of Table 1 above.

The approach to determining the number of factors is to consider the variables that have large factors with eigenvalues > 1. When the eigenvalues are less than 1, the factors cannot be included in the model (Sunarmi et al., 2022). From the analysis results, it is known that there are five factors with eigenvalues > 1, meaning that five new factors are formed that constitute the continuity of the relationship between the firm and its suppliers. The first factor or component can explain 32.101% of the total variance of the data. This variation reflects the diversity or variability of observed characteristics in the population or sample being analyzed. The second component can be explained to 11.651%, the third component is 10.221%, the fourth component is 9.378%, and the fifth component is 7.549%. These five components can explain 70.9% of the overall variance. However, the value of the extraction sums of squared loadings has not yet specifically indicated which factors are part of the five-factor variations that have been formed. Therefore, the next step is to perform factor rotation.

Factor Rotation

Factor rotation is used in this study when the results of factor extraction do not yield clear main factor components. The purpose of factor rotation is to obtain a simpler factor structure that is easier to interpret (Widarjono, 2015). The value of the loading factor shows the weight of each indicator as a measure of each variable (Rihayana et al., 2019). Factor rotation can also aid in estimating loading values. Higher factor loading values indicate a stronger relationship between variables and the factors identified in the factor analysis. The selected factor loadings should have values > 0.50, ensuring that each factor has a meaningful contribution to the underlying constructs being studied.

Table 2. Component matrix before rotation

Variable	Component 1	Component 2	Component 3	Component 4	Component 5
X_1	0.544		0.518		
X_2	0.680				
X_3	0.568				
X_4	0.532	-0.527			
X_5		0.581			
X_6	0.625				
X_7	0.500		-0.552		
X_8	0.684				
X_9	-0.505				
X_{10}			0.544		
X_{12}	0.544	-0.596			
X_{13}					
X_{14}	0.698			-0.517	
X_{15}	0.639				

The result of the extraction in Table 3 shows that some items have nearly equal correlations, making it difficult to determine which items should be included in each factor. The rotation method is used to address this issue, which can provide a clearer and more meaningful explanation of the indicator distribution. In this study, the varimax method is used for factor rotation. According to Hallawa and Fadulloh (2021), the varimax method is employed to reduce the number of indicators that have high factor loadings in each factor. This rotation is performed when the factor extraction has not produced clear main factor components. The goal of this factor rotation is to obtain a simpler factor structure for better understanding.

Table 3. Component matrix after rotation

Variable	Component 1	Component 2	Component 3	Component 4	Component 5
X_1		0.533			0.517
X_2			0.705		
X_3				0.721	
X_4	0.867				
X_5		0.818			
X_6				0.565	
X_7			0.634		
X_8					0.555
X_9			0.761		
X_{10}					0.754
X_{12}	0.769				
X_{13}				0.801	
X_{14}	0.577				
X_{15}		0.808			

Table 3 above shows that the variables are well distributed among the five formed factors. Additionally, Table 3 shows the varimax rotation to explain the position of each indicator in the factor. After the varimax rotation, a rotated table is obtained, categorizing each variable into five factors. The grouping results are as follows: X_4, X_{12}, and X_{14} are valid to be included in factor 1; X_1, X_5, and X_{15} are valid for factor 2; X_2, X_7, and X_9 are valid for factor 3; X_3, X_6, and X_{13} are valid for factor 4; and finally, X_8 and X_{10} are valid for factor 5. These groupings indicate clear patterns in how variables align with specific latent constructions. The results suggest that each factor captures distinct dimensions of the underlying phenomena. This clarity supports the suitability of the indicators in representing their respective factors.

New Factors

The results of the factor rotation show a combination of variables into each factor, necessitating the assignment of new names or identities to each factor based on their characteristics (Widardjono, 2015). In conclusion, providing new names to the factors in factor analysis has benefits in facilitating interpretation, grouping variables, simplifying data

representation, communicating results, and reproducing and replicating research. Naming the new factors helps to give meaning and clarify the patterns of relationships identified through factor analysis. The names of the new factors can be seen in Table 4.

Table 4. New factor

Factor Name	Code	Variable	Variance
Interpersonal Relationship	X_4	Influential Relationship in the Selection Process	32.101%
	X_{12}	Feedback	
	X_{14}	Psychological Satisfaction	
Satisfactory Performance	X_1	Reputation	11.651%
	X_5	Timeliness of Delivery	
	X_{15}	Material Satisfaction	
Trusted Practices	X_2	Payment Process	10.221%
	X_7	Knowledge Sharing	
	X_9	Transparency	
Loyalty	X_3	Trust in Individuals	
	X_6	Commitment to the Company	
	X_{13}	Frequency of Communication	
Synchronization in Communication	X_8	Coordination	7.549%
	X_{10}	Content of Conversations	

Table 4 above shows that interpersonal relationships have the highest dominant variance value compared to the other four factors. Therefore, this factor is the most significant in forming the sustainability of the relationship between the firm and its suppliers. Meanwhile, other factors such as satisfactory performance, trustworthy practices, loyalty, and communication synchronization are supporting factors in forming the sustainability of the relationship between the firm and its suppliers. The naming of these factors is based on the state of the art and previous research discussed in the Discussion section.

DISCUSSION

According to Setiawan (2019), interpersonal relationships are good connections, both formal and informal, that need to be enhanced within an organization to create an effective team that achieves optimal work outcomes. Based on the grouping of variables into factors, interpersonal relationships emerged as the most dominant element influencing the supplier relationship with the firm. This factor encompasses aspects such as influential relationships during the selection process, the presence of feedback, and psychological satisfaction. It aligns with prior studies highlighting that interpersonal relationships indicate a sense of care and mutual respect. These relationships are cultivated through active communication and engagement, fostering a supportive work atmosphere. Vemmylia (2009) also describes interpersonal connections as actions that generate motivation and productivity in the workplace. Their primary purpose is to build meaningful emotional ties, provide mutual support, and establish trust between involved parties. Additionally, Caplan's view, cited in Santoso (2021), highlights that positive interpersonal relationships are crucial for psychological well-being.

Another important factor is satisfying performance, which includes maintaining a good reputation, ensuring timely delivery, and fulfilling expectations related to product or service quality. A solid reputation enhances trust and motivates suppliers to preserve strong cooperation with the firm. They are encouraged to deliver consistent value, knowing the organization recognizes and rewards dependable partners. Timely delivery reinforces a sense of reliability and strengthens mutual confidence. Furthermore, fair compensation and satisfaction with material transactions help establish long-term trust and reinforce stability in the business relationship. When suppliers feel financially secure, fairly treated, and valued, they are more willing to sustain ongoing collaboration, fostering a mutually beneficial partnership.

Trustworthy practices also play a central role in maintaining durable relationships. This factor involves a reliable payment process, openness in sharing knowledge, and organizational transparency. Regular and prompt payments contribute to supplier satisfaction and affirm the firm's credibility. Knowledge sharing promotes alignment and fosters collaborative growth, as both sides work together toward shared improvements. Transparency ensures that expectations, strategies, and operational goals are clearly understood by all parties. This clarity builds a culture of accountability and strengthens the potential for long-term cooperation.

Supplier loyalty is another key factor underpinning a stable buyer-supplier relationship. Loyalty manifests through suppliers' commitment to maintaining quality, timeliness, and responsiveness. Trust is foundational in this process. When suppliers believe that the company values their contributions and supports mutual success, they are more inclined to remain dedicated and consistent in their efforts. Frequent and constructive communication also reinforces loyalty. It provides opportunities for exchanging ideas, aligning expectations, and deepening engagement. Through continuous interaction, both parties gain a better understanding of each other's priorities, which strengthens their long-term partnership.

Lastly, communication synchronization supports the sustainability of supplier relationships. This involves alignment in messaging, clarity in expression, and effective coordination. Synchronization ensures that all parties are interpreting information consistently, minimizing miscommunication and enhancing collaborative effectiveness. Strong coordination improves the efficiency of message delivery, making it easier for the firm and its suppliers to work cohesively. In addition, clear and relevant message content strengthens shared understanding and helps prevent confusion in communication and decision-making processes. By prioritizing communication alignment, the organization can maintain trust, streamline operations, and foster more resilient relationships with its suppliers.

The findings imply that emotional and interpersonal aspects play a crucial role in strengthening supplier relationships. Companies should invest in building trust, mutual respect, and clear communication with their suppliers to enhance collaboration. Ensuring satisfactory performance, such as timely delivery and fair compensation, also supports long-term commitment. Transparent practices and synchronized communication contribute to smoother operations and stronger partnerships. These insights can guide firms in designing more strategic and relationship-focused supply chain management approaches.

The study implies that strong interpersonal relationships are foundational for sustaining long-term supplier partnerships. Businesses should focus not only on transactional efficiency but also on fostering emotional bonds, mutual trust, and active communication with their suppliers. Maintaining satisfying performance, such as timely delivery, consistent quality, and fair compensation, can significantly increase supplier commitment. Transparent business practices and reliable payment systems further reinforce trust and operational stability. Additionally, aligning communication processes ensures that both parties share a clear understanding of goals and expectations. These findings can help firms develop more human-centered and strategic supply chain policies to strengthen long-term resilience.

CONCLUSIONS

This study identifies five key factors that influence the long-term relationship between CV Bara Natura Abadi and its suppliers through an EFA of multiple initial variables. The results show that interpersonal relationships are the most dominant factor, highlighting the importance of emotional and personal connection in fostering supplier loyalty without referencing specific data. This factor includes aspects such as influential relationships in the selection process, feedback, and psychological satisfaction. In addition, four supporting factors were found: satisfactory performance, trusted practices, loyalty, and communication synchronization. These factors collectively demonstrate that the key determinants for building sustainable long-term relationships have been identified. This research provides valuable insights for developing supply chain management strategies, particularly in the context of the Indonesian copra industry. By understanding the key elements that build long-term buyer-supplier relationships, companies can design more strategic and personalized approaches toward their suppliers to enhance supply continuity and strengthen competitive advantage.

LIMITATION

This study has several limitations that should be considered. First, the sample is limited to CV Bara Natura Abadi and its suppliers in the Indonesian copra industry, meaning the findings cannot be generalized to all companies or other industries. Second, while the study identified five main factors, only 15 initial variables were tested, and other potential factors influencing long-term relationships, such as external factors or global industry trends, were not included in the analysis. Additionally, the data collection method, which relies on surveys or interviews, may be influenced by the subjective perceptions of respondents, and the focus on interpersonal relationships may not capture other relevant factors in more formal business relationships. The study is also constrained by the time and external conditions that may have affected relationship dynamics during the research period, and there remains 29.1% of unexplained variance, indicating that other unidentified factors may be at play.

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